



Gavin Lentz ,left, of Bochetto & Lentz and Maurice Mitts ,right, of Mitts Law. Courtesy photos

NEWS

## Group of Fired Scientists Win \$26.6M Bucks County Verdict on Counterclaims Against Ex-Employer

The plaintiff alleged in its \$849 million suit that its former employees stole trade secrets and set up competing drug companies.

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Contractual Disputes



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### What You Need to Know

- A group of scientists won a \$26.6 million verdict on their counterclaims against their former employer.
- The plaintiff sought \$849 million in damages, alleging the defendants stole trade secrets from the company.
- The defendants claimed they were fired without cause and denied proper compensation.

A group of five scientists facing a \$849 million breach-of-contract suit from their former employer won a \$26.6 million verdict on their counterclaims against the plaintiff.

The plaintiff, Sigmapharm Laboratories LLC, accused its former employees of stealing trade secrets and setting up competing drug companies. But attorneys for the defendants asserted that, even after a decade of litigation, the plaintiff had no evidence to back up its claims.

“Every time it was time for them to put up, they had nothing,” said Maurice Mitts of Mitts Law, who collectively represented the defendants alongside Gavin Lentz of Bochetto & Lentz.

Reflecting on the trial, Lentz said, “Probably the most ridiculous moment was when they called a trade secret expert.”

According to Lentz, the plaintiff’s expert testified that the defendants had stolen and used confidential information from Sigmapharm. But upon further questioning, Lentz said, the expert testified that he had not actually reviewed the files of allegedly taken materials.

“So you don’t know what they are, but you’re giving an opinion that they’re trade secrets and they used it?” Lentz recalled asking.

Mitts asserted that the judge and jury had been alienated by the plaintiff’s case, which he described as “all of this fanfare with no content.”

Sigmapharm sued the defendants, all high-ranking employees at the company, in 2014, on the same day that it fired them for violating their employment agreement with the company.

And Sigmapharm asserted in its pretrial memo that it terminated the scientists after “a steady flow of problems” culminated in the group threatening to leave for a competing business unless they were given operating control of the company.

The company claimed it later learned that the scientists had secretly planned to create competing businesses and had stolen confidential records from Sigmapharm before they were terminated.

The plaintiff, represented by Elliott Greenleaf, claimed in its pretrial memo that it suffered \$849 million in damages.

The scientists, however, contended that they were fired without cause for asking for compensation they had been promised when they were first hired. They alleged that Sigmapharm’s founder, Spiridon Spireas, had convinced them to leave their jobs to join his newly formed company, with verbal promises of significant salaries and 5-10% stake in the company.

The defendants claimed that Spireas later pressured them into agreeing to “one-sided” written employment contracts providing them with 1-3.5% non-voting shares in Sigmapharm that could be lost if the company fired the employees for cause.

Sigmapharm and Spireas denied the existence of an oral contract and argued that the defendants understood the terms of written employment agreements when they signed them.

But the jury sided with the defendants, finding against the plaintiffs on the scientists’ counterclaims for breach of oral and written contract, breach of fiduciary duty, and breach of the Pennsylvania Wage Payment and Collection Law.

On May 2, Judge Robert Mellon of the Bucks County Court of Common Pleas molded the April 26 verdict in *Sigmapharm Laboratories v. Grover* to calculate the monetary figure awarded to the defendants based on the equations expressed by the jury.

The bulk of the verdict—\$23.5 million—consisted of punitive damages against Spireas for breach of fiduciary duty.

Elliott Greenleaf shareholder Timothy Myers declined to comment.